

Wednesday, 2 September 2020

Australia plunges into first recession in 30 years – but still no plan to support and create jobs

More than six months into the pandemic and facing the first recession in 30 years, the Morrison Government has still not produced a national economic reconstruction plan and is cutting back support for working people.

GDP has fallen a record 7 per cent in the June quarter according to data released this morning by the ABS. This is the largest quarterly fall since records began in 1959 and means Australia is in recession for the first time in 30 years.

Without a comprehensive national economic reconstruction plan like the one the ACTU put forward in July we know that many of the millions of workers currently reliant on JobKeeper will fall out of work entirely as the Morrison Government continues to cut back support.

The Morrison Government has underspent many other comparable economies as a percentage of GDP on its direct fiscal response to the crisis. We need strong government spending to create the secure jobs and consumer spending which will re-start the economy.

Quotes attributable to ACTU President Michele O’Neil:

“These are the worst economic figures ever recorded, we are in an unprecedented economic and public health crisis, and yet the Morrison Government has no plan for a way out.

“The Morrison Government has been attacking state governments for not having a roadmap out of necessary lockdowns, but has refused to produce a comprehensive jobs plan even as the economy crashes into recession.

“We need leadership from the federal government, and a commitment to investment which will create jobs for the millions of working people who will need them in the coming months and years.

“Instead of investment, what we are seeing from the Morrison Government is the cutting back of essential supports like JobKeeper and JobSeeker, the forced gutting of working people’s retirement savings through the early access super scheme, and an additional attack on the financial security of working people in the effort to delay the increase in the super guarantee.

“We need a comprehensive national economic reconstruction plan to create jobs and show Australian workers that there is a way out of this crisis.”

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